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UNITED STATES DISTRICT COURT DISTRICT OF NEVADA

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UNITED STATES OF AMERICA,

Plaintiff,

vs.

IRMA QUIROZ,

Defendant.

CRIMINAL INDICTMENT

2:09-cr- 039

VIOLATION:

7 U.S.C. § 2024(b) - Unauthorized
Possession and Use of Food Coupons

THE GRAND JURY CHARGES THAT:

A. INTRODUCTION

At all times relevant to this Indictment:

1. The United States Department of Agriculture ("USDA"), Food and Nutrition Service ("FNS") was a federal agency responsible for the administration and implementation of the Food Stamp Program ("FSP") throughout the United States. The purpose of the FSP was to provide to needy individuals financial assistance, hereinafter referred to as "food stamp benefits," that the individual could use at authorized food retailers. Food stamp benefits could lawfully be used only to purchase eligible food items; they could not be used to purchase alcoholic beverages, tobacco, hot foods ready-to-eat; lunch counter items, or non-food items. Food stamp benefits could not be exchanged for cash.

1 2. The primary form of food stamp benefits were Electronic Benefit Transfer ("EBT")
2 access devices. An EBT access device was a card, similar to an ATM card, issued in the
3 name of the individual food stamp benefit recipient. Assigned to the card was a personal
4 identification number ("PIN") known to the card holder. On a monthly basis, food stamp
5 benefits would be credited electronically to an account associated with a recipient's EBT
6 card.

7 3. To purchase eligible food items using an EBT card, the EBT card generally would
8 be "swiped" through a point-of-sale ("POS") terminal at a USDA-authorized food retailer, and
9 the PIN number entered into the machine's keypad.

10 4. The State of Nevada maintained a contract with JP Morgan Chase ("JP Morgan")
11 to process EBT food stamp transactions. Once an EBT card was swiped through a POS
12 terminal in Nevada and the appropriate PIN was entered, the POS terminal dialed into a
13 computer system operated by JP Morgan. The EBT food stamp transaction was then either
14 approved or rejected, and the result was communicated to the POS terminal by wire and
15 radio communication. If a transaction was approved, food stamp benefits would be debited
16 from the recipient's EBT card account; a corresponding amount of money would be debited
17 from an account containing money provided by the USDA to fund the FSP in Nevada; and
18 that amount of money would be wire transferred into a designated bank account associated
19 with the POS terminal.

20 B. THE SCHEME

21 5. Beginning on an unknown date, but no later than on or about July 2006, and
22 continuing until on or about November 2008, in the State and Federal District of Nevada,
23 **IRMA QUIROZ** engaged in a scheme under which she solicited, and responded to
24 solicitations from, food stamp recipients to purchase the recipients' food stamp benefits in
25 exchange for cash.

6. In exchange for the food stamp benefits, **QUIROZ** paid, and caused to be paid, cash to the recipients at a discount rate.

7. **QUIROZ** would swipe, and caused to be swiped, the recipients' EBT card at the POS of an authorized food retailer, and she would use, and caused to be used, the recipients' PIN number to facilitate the transaction.

8. **QUIROZ** used the food stamp benefits she acquired to purchase goods for her own use and benefit.

COUNTS ONE THROUGH FIVE
Unauthorized Possession and Use of Food Coupons

The allegations contained in paragraphs 1 through 8 in this Indictment are hereby realleged and incorporated herein by reference as if set out in full.

From an unknown date, but beginning no later than July 2006, until on or about November 2008, in the State and Federal District of Nevada,

IRMA QUIROZ,

the defendant herein, knowingly used, transferred, acquired, and possessed food coupons, authorization cards, and access devices in a manner contrary to the statute and regulations; to wit: **QUIROZ** knowingly and without authorization acquired, possessed, used, and caused to be used, USDA EBT authorization cards and access devices, having a value more than \$100, in a manner not authorized by Title 7, United States Code, Chapter 51, and regulations issued pursuant thereto (Title 7, Code of Federal Regulations), in that she knowingly and unlawfully purchased and caused to be purchased, and used and caused to be used, EBT food stamp benefits, accessed through such authorization cards and access devices, in the approximate amounts identified below on or about the dates identified below, in exchange for cash:

. . .

. . .

<u>Count</u>	<u>Transaction Dates</u>	<u>Location:</u> <u>Smart & Final</u> <u>2305 East Bonanza Rd.</u> <u>Las Vegas, Nevada</u>	<u>EBT Benefit Amount</u>
ONE	April 1, 2008		\$734.60
TWO	October 1, 2008		\$1,709.06
THREE	January 1-2, 2008		\$1,184.88
FOUR	May 1, 2008		\$2,159.57
FIVE	July 2, 2008		\$205.10

All in violation of Title 7, United States Code, Section 2024(b).

DATED: this 4 day of February 2009.

A TRUE BILL:

/s/
FOREPERSON OF THE GRAND JURY

GREGORY A. BROWER
United States Attorney



JEFFREY T. TAO
Assistant United States Attorney